

Pierce McCoy, PLLC  
85 Broad Street, Suite 17-063  
New York, New York 10004  
Telephone: (212) 320-8393  
Facsimile: (757) 257-0387  
Jonathan A. Grasso, Esq.

*Attorney for WashREIT Frederick County Square LLC*

**UNITED STATES BANKRUPTCY COURT  
SOUTHERN DISTRICT OF NEW YORK**

**In re:**

**SEARS HOLDINGS CORPORATION, *et al.*,  
  
Debtors.**

**Chapter 11**

**Case No. 18-23538 (RDD)  
  
(Jointly Administered)**

**SUPPLEMENTAL CURE CLAIM OBJECTION OF  
WASHREIT FREDERICK COUNTY SQUARE LLC (STORE NO. 3131)**

WashREIT Frederick County Square LLC (“**WashREIT**”), by and through its undersigned counsel, hereby files this supplemental objection to the Notice of Cure Costs and Potential Assumption and Assignment of Executory Contracts and Unexpired Leases in Connection with Global Sale Transaction (the “**Cure Notice**”)<sup>1</sup> [Dkt. No. 1731] and Notice of Assumption and Assignment of Additional Designatable Leases (the “**Assumption Notice**”) [Dkt. No. 3298], and in support thereof states as follows:

1. On October 15, 2018 (the “**Petition Date**”), Sears Holdings Corporation and related entities commenced their bankruptcy cases by filing voluntary petitions for relief under Chapter 11 of the United States Bankruptcy Code.

2. As of the Petition Date, WashREIT was the landlord and Kmart Corporation (the “**Debtor**”) was the tenant under a lease of nonresidential real property located at 1003 W. Patrick

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<sup>1</sup> Capitalized terms not defined herein shall have the meanings ascribed to them in the Cure Notice.

Street, Frederick, Maryland 21701 (Store No. 3131) dated as of October 27, 1972, as amended and modified from time to time (the “**Lease**”).

3. On January 18, 2019, the Debtor filed the Cure Notice.

4. In the Cure Notice, the Debtor indicates that the Lease may be assumed and assigned in connection with the sale of the Global Assets and asserts that no Cure Amount is due under the Lease. See Cure Notice Ex. B, Line 176.

5. On April 19, 2019, the Debtor filed the Assumption Notice. The Assumption Notice also incorrectly asserts that no Cure Amount is due under the Lease. See Assumption Notice, Ex. 1, Line 206.

6. The Debtor is in default of its monetary obligations to pay real estate taxes and utility charges pursuant to the Lease.

7. WashREIT’s monetary cure claim as of the filing of this Supplemental Cure Claim Objection with respect to the Lease is in an amount not less than \$117,279.85. A summary of the cure claim together with evidence in support of the cure claim amount is attached hereto as Exhibit A.

8. The cure claim amount asserted by WashREIT pursuant to the Lease is comprised of \$114,813.71 for real estate taxes for the period July 1, 2018 – the Petition Date, and \$2,466.14 for post-petition utilities.

9. In order to assume the Lease, the Debtor must cure the aforementioned defaults.

10. This Supplemental Cure Claim Objection is without prejudice to the fact that other and additional cure claim amounts (a) may exist and/or may become known at a future date and (b) will accrue on an ongoing basis between the filing of this Supplemental Cure Claim Objection and any subsequent assumption of the Lease. WashREIT expressly reserves its right

to amend or supplement its Supplemental Cure Claim Objection through and including the effective date of any proposed assumption and assignment of the Lease.

WHEREFORE, WashREIT respectfully requests the entry of an order pursuant to 11 U.S.C. § 365(b)(1) requiring that prior to assuming and assigning the Lease, the Debtor cure the real estate taxes and utility payments due under the Lease in the amount of \$117,279.85 together with any and all other cure amounts due under the Lease that arise prior to the actual date that the Lease is assumed, as well as such other and further relief as is just and proper.

Dated: April 30, 2019

Respectfully submitted,

By: /s/ Jonathan A. Grasso

Jonathan A. Grasso  
Pierce McCoy, PLLC  
85 Broad Street, Suite 17-063  
New York, New York 10004  
Telephone: (212) 320-8393  
Facsimile: (757) 257-0387  
[jon@piercemccoy.com](mailto:jon@piercemccoy.com)

*Attorneys for WashREIT Frederick County Square  
LLC*

### **CERTIFICATE OF SERVICE**

The undersigned hereby certifies that on April 30, 2019 a true and correct copy of the foregoing Objection has been served via the Court's CM/ECF system on all parties registered to receive such service and on the parties listed below as indicated.

#### **VIA EMAIL**

##### **I. Bid Notice Parties**

###### **a. Debtors**

Rob Riecker – [rob.riecker@searshc.com](mailto:rob.riecker@searshc.com)  
Luke Valentino – [luke.valentino@searshc.com](mailto:luke.valentino@searshc.com)  
Mohsin Meghji – [mmeghji@miiipartners.com](mailto:mmeghji@miiipartners.com)  
General Counsel – [counsel@searshc.com](mailto:counsel@searshc.com)

###### **b. Debtors' Counsel**

Ray Schrock, Esq. – [ray.schrock@weil.com](mailto:ray.schrock@weil.com)  
Jacqueline Marcus, Esq. – [Jacqueline.marcus@weil.com](mailto:Jacqueline.marcus@weil.com)  
Garrett A. Fail, Esq. – [garrett.fail@weil.com](mailto:garrett.fail@weil.com)  
Sunny Singh, Esq. – [sunny.singh@weil.com](mailto:sunny.singh@weil.com)  
Ellen J. Odoner, Esq. – [ellen.odoner@weil.com](mailto:ellen.odoner@weil.com)  
Gavin Westerman, Esq. – [gavin.westerman@weil.com](mailto:gavin.westerman@weil.com)

###### **c. Debtors' investment broker**

Brandon Aebersold and Levi Quaintance – [project.blue.rx@lazard.com](mailto:project.blue.rx@lazard.com)

##### **II. Buyer Parties**

###### **a. Buyer**

Kunal S. Kamlani – [kunal@eslinvest.com](mailto:kunal@eslinvest.com)  
Harold Tailsman – [harold@eslinvest.com](mailto:harold@eslinvest.com)

###### **b. Counsel**

Christopher E. Austin, Esq. – [caustin@cgsh.com](mailto:caustin@cgsh.com)  
Benet J. O'Reilly, Esq. – [boreilly@cgsh.com](mailto:boreilly@cgsh.com)  
Sean A. O'Neal, Esq. – [soneal@cgsh.com](mailto:soneal@cgsh.com)

##### **III. Consultation Parties**

###### **a. Bank of America**

Paul Leake, Esq. – [paul.leake@skadden.com](mailto:paul.leake@skadden.com)  
Shana Elberg, Esq. – [shana.elberg@skadden.com](mailto:shana.elberg@skadden.com)  
George Howard, Esq. – [George.howard@skadden.com](mailto:George.howard@skadden.com)

###### **b. Wells Fargo Bank**

Kevin J. Simard, Esq. – [ksimard@choate.com](mailto:ksimard@choate.com)  
Jonathan D. Marshall, Esq. – [jmarshall@choate.com](mailto:jmarshall@choate.com)

c. Committee

Ira S. Dizengoff, Esq. – [idezengoff@akingump.com](mailto:idezengoff@akingump.com)

Philip C. Dublin, Esq. – [pdublin@akingump.com](mailto:pdublin@akingump.com)

Abid Qureshi, Esq. – [aqureshi@akingump.com](mailto:aqureshi@akingump.com)

Sara L. Brauner, Esq. – [sbrauner@akingump.com](mailto:sbrauner@akingump.com)

**VIA FIRST CLASS MAIL**

Transform Holdco, LLC  
c/o ESL Partners, Inc.  
Attn: Kunal S. Kamlani and Harold Talisman  
1170 Kane Concourse, Suite 200  
Bay Harbor Islands, FL 33154

Sears Holdings Corporation  
Attn: General Counsel  
3333 Beverly Road  
Hoffman Estates, IL 60179

Weil, Gotshal & Manges LLP  
Attn: Ray C. Schrock, Ellen J. Odoner,  
Gavin Westerman and Sunny Singh  
767 Fifth Avenue  
New York, NY 10153

Cleary Gottlieb Steen & Hamilton LLP  
Attn: Christopher E. Austin,  
Benet J. O'Reilly and Sean A. O'Neal  
One Liberty Plaza  
New York, NY 10006

Berkeley Research Group, LLC  
2200 Powell Street, Suite 1200  
Emeryville, CA 94608

Lazard Frères & Co., LLC  
Attn: Brandon Aebersold and Levi Quaintance  
30 Rockefeller Plaza  
New York, NY 10112

Choate, Hall & Stewart LLP  
Attn: Kevin J. Simard and Jonathan D. Marshall  
Two International Place  
Boston, MA 02110

Skadden, Arps, Slate, Meagher & Flom LLP  
Attn: Paul D. Leake, Shana A. Elberg and  
George R. Howard  
4 Times Square  
New York, NY 10036

Akin Gump Strauss Hauer & Feld LLP  
Attn: Philip C. Dublin, Ira S. Dizengoff  
Abid Qureshi, and Sara L. Brauner  
One Bryant Park  
New York, NY 10036

Office of the United States Trustee  
Attn: Paul Schwartzberg  
U.S. Federal Office Building  
201 Varick Street, Room 1006  
New York, NY 10014

/s/ Jonathan A. Grasso  
Jonathan A. Grasso